248 this period were hemp and linseed, small quantities of which were exported.

TABLE 18. *Flax Production*

	Area under crop annual average ('000 ha.)			*Production annual average ('000 quintals)*			*Yield per ha. annual average (quintals per ha.)*		
	1909–13	*1921–5*	*1926–30*	*1909–13*	*1921–5*	*1926–30*	*1909–13*	*1921–5*	*1926–30*
Flax									
Estonia .	42	30	34	169	101	95	4·0	3·4	2·8
Latvia* .	70	53†	61	302	213†	196	4·3	4·0†	3·3
Lithuania* .	55	61	86	242	312	339	4·4	5·1	4·0

* Latvia: flax and hemp 1909–13; Lithuania: flax and hemp throughout. † 1922–5.

3. DAIRY FARMING AND STOCK-BREEDING

231 234 The comparative position of these countries can be seen from the following table:

TABLE 19. *Statistics of Live Stock*

(i) *Total number of live stock*
(In 000's)

	*Estonia**		*Latvia**		*Lithuania*	
	1913–14	*1930*	*1913*	*1930*	*1913*	*1930*
Cattle . .	476	627†	912	1,026	918	1,170
Pigs . . .	275	290	557	523	1,358	1,136
Horses . .	165	204	330	359	451	559
Sheep. . .	518	467	996	873	1,152	1,097‡

(ii) *Number of live stock slaughtered*
(In 000's)

	Estonia		*Latvia*		*Lithuania*	
	1923	*1930*	*1923*	*1930*	*1923*	*1930*
Cattle . .	75	63	118	102	not	70
Calves . .	78	107	188	319	available	106
Sheep. . .	62	63	213	171		67
Pigs . . .	71	97	118	199		64

Note.—These figures relate to inspected slaughter-houses only.

* Estonia and Latvia: 1913 figures relate to a somewhat smaller area than that of the present States.

† Draught oxen only. ‡ Including goats.

231 727 The increase between 1913 and 1930 may be smaller than the great development of dairy farming after the War might lead one to suppose, but the number of live stock was very considerably reduced by the War itself; and the dislocation of the years immediately following 1918 led also to the result that many of the beasts were extremely poor. During the latter part of the period the Baltic

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States were only just beginning to recover from the effect of these circumstances. 231 727

The Baltic States grow nearly all the fodder required for their cattle themselves. This consists largely of hay and mixed crops (meslin); as was seen, a large part of the total area of each country is pasture land. Roots were not often fed to cattle during the period. Great attention was paid to breeding by all three States, a subject which had not received much notice during the Russian period. In Latvia, for example, there were by 1928 over 500 associations formed for this purpose, and several hundred stud stations, most of which were assisted financially by Government departments, while imports of cattle for breeding purposes were a regular feature in the trade balance of all three countries. 232 246

There are comparatively few establishments exclusively devoted to dairy farming except for certain farms run directly by the co-operatives and the State. For the most part, the cattle are owned by individual peasants who deliver the milk to the co-operative dairies or bring their cattle to be milked. From this stage onwards dairy farming was developed during the period into a highly organized process, controlled largely, as was seen, by the co-operative system. This was not entirely a new thing in Estonia and Latvia, which before the War had supplied the Russian market, a substitute being found during this period in Great Britain. In Lithuania, however, it was an almost complete innovation. 234 474

The progress of dairy farming is illustrated by the following table:

TABLE 20. *Butter and Milk Production*

	Butter Production in metric tons (000's omitted) (Creamery or factory butter only)			*Milk* Production in hectolitres (000's omitted)		
	Estonia	*Latvia*	*Lithuania**	*Estonia*	*Latvia*	*Lithuania‡*
1925 . . .	7·2	7·9	0·3	4,823	†	92
1926 . . .	9·7	11·2	1·0	5,880	†	251
1927 . . .	10·9	12·0	1·3	6,118	†	312
1928 . . .	12·2	14·3	1·6	6,367	†	397
1929 . . .	13·7	17·0	3·1	6,334	12,650	725
1930 . . .	15·5	20·8	6·4	7,374	13,143	1,512

* Co-operative creameries only. † Figures not available.
‡ Milk delivered to dairies or factories.

A large proportion of the total production of butter is exported. The exact figure is difficult to ascertain, since complete figures for production are not always available. In Lithuania, during 1930, 6,000 metric tons of the butter manufactured by the dairies included in the above table, viz. 6,400 metric tons, were exported, the total export of 234 439

butter in that year being 7,400 metric tons. In 1930 Estonia exported in all 14,100 metric tons, as compared with the figure given above for production in that year of 15,500 metric tons, while Latvia exported 18,400 metric tons as compared with a production figure of 20,800 metric tons. Much progress was made with pig-breeding in Estonia and Latvia during the period; and considerable quantities of bacon were exported, mainly to Great Britain. Lithuania entered the field as a bacon exporter rather later than the two otner countries, but by the end of the period her export trade was beginning to be considerable.[1] Poultry-breeding also was carried on intensively in all three countries, particularly Lithuania, which exported large quantities of eggs and poultry to Germany and Great Britain.

4. Timber

The percentage of the total area covered by forests was as follows:

	Percentage	*State property as percentage of this*
Estonia (1929). .	20	88
Latvia (1928). .	29	85
Lithuania (1927). .	17	?

The species vary considerably: in Estonia softwoods prevail to the extent of about 63 per cent., followed by birch (19 per cent.), aspen (10 per cent.), alder and others (8 per cent.), while in Latvia 77 per cent. of the total forest area is covered by softwoods, the remainder being birch (15 per cent.), aspen (4 per cent.), alder (3 per cent.), and others (1 per cent.). The Lithuanian forests consist of softwoods (62 per cent.), aspen (13 per cent.), birch (11 per cent.), alder (4 per cent.), and others (10 per cent.).

The forests of all three States, especially Latvia and Lithuania, suffered from the presence of hostile armies during the War, for large quantities of timber were felled as and when required, though it is true that this took place chiefly by the side of the roads and railways. After the War, too, the absence of agricultural buildings, and even of houses for the new small-holders, led to much abnormal felling of timber. In Lithuania, for example, a great deal of timber was sold at nominal prices or even given away to new settlers. Since the immediate post-War period, however, the respective Forestry Departments have established a more rational control over the timber resources of the State and also of those which are privately owned, for in most cases the owners in the latter category are municipalities or other public bodies.

[1] For the effects of this, see below, pp. 148-9.

1: Anonymous U-4 (no date)1938 RBl Baltic States

TABLE 35. *Flax Production*

(In thousand quintals)

	Average 1926–30	*Average 1931–5*	*Year 1936*	*Year 1937**
Estonia . . .	95	65	87	113
Latvia . . .	196	152	185	257
Lithuania . . .	339	214	288	308

* 1937: provisional figures only.

257 under Government assistance. By the end of 1936 there were two
249 such factories in operation in Lithuania and four in Latvia, and the
483 production of beet sugar had increased in Lithuania to an annual average of 128,000 quintals for 1931–5 as against practically nothing in the preceding five years. In Latvia the increase was from an annual average of 29,000 quintals in 1926–30 to 315,000 quintals in 1931–5.. In 1936 Lithuania's production was 243,000 quintals, and Latvia's 382,000; and imports of sugar in both countries had been reduced to almost negligible figures.

4. DAIRY FARMING AND STOCK-BREEDING

439 It has been seen how during the earlier period dairy farming and
234 stock-breeding existed largely for the export trade. The general
231 decrease of foreign trade as the result of the crisis, therefore, made it especially important for the Baltic States to give further encouragement to this branch of activity. But a large proportion of the exports of Estonia and Latvia had been taken by the United Kingdom and Germany; and it was consequently inevitable that, owing to the trade policies pursued by these countries, particularly the latter, there should be some decrease in production. Lithuania, on the other hand, did not enter the field as a producer on a large scale until just before the beginning of the crisis, and was, therefore, able to profit by the mistakes of the other countries. As the result, there has been an almost spectacular increase in her production both of butter and of bacon; and, whereas her exports of these commodities before 1930 could not be compared with those of the other two countries, she is now by far the largest bacon exporter of the three, though it is true that her exports have recently fallen off. Lithuania also exports more butter now than Estonia, and nearly as much as Latvia. For this the energetic policy pursued by the co-operative system is largely responsible, since the production and marketing both of bacon and butter is entirely in the hands of this organization.

The reason why it has been possible for Lithuania to succeed in spite of the fact that, unlike Estonia and Latvia, she has refused to depreciate her currency, is, perhaps, that the general standard of

living is somewhat lower than in Estonia and Latvia, and the Lithuanian farmer can therefore accept prices which in the other countries would be considered too low. Further, Lithuania was fortunate in that there had been a great increase of her bacon exports to the United Kingdom just before the bacon quota was imposed in that country, with the result that the maximum of her bacon exports to Great Britain was fixed at a substantially higher figure than for the other two countries. Moreover, in recent years Lithuania's exports of bacon and butter have come to occupy a higher percentage of the country's total exports than in Estonia and Latvia, and it is consequently all the more important for the Government to foster the production and export of these commodities by subsidies, even if it means incurring a loss expressed in terms of national currency. The developments of the past few years are shown in the following tables:

TABLE 36. *Butter*

(a) EXPORTS TO ALL COUNTRIES
(*In thousand metric tons*)

	Estonia	*Latvia*	*Lithuania*
Annual average 1927–9. . .	11·2	12·9	2·9
Year 1930 . . .	14·1	18·4	7·4
„ 1931 . . .	14·4	18·7	8·7
„ 1932 . . .	12·5	18·6	9·9
„ 1933 . . .	9·2	15·6	9·6
„ 1934 . . .	10·1	15·7	9·7
„ 1935 . . .	10·8	16·6	12·2
„ 1936 . . .	11·0	17·3	14·6
„ 1937 . . .	13·2	19·2	15·1

(b) TOTAL OF COWS
(*In thousands*)

	Estonia	*Latvia*	*Lithuania*
Year 1930 . . .	416	728	696
„ 1936 . . .	446*	880	763

* 1937.

TABLE 37. *Bacon*

(a) EXPORTS TO ALL COUNTRIES.
(*In thousand metric tons*)

	Estonia	*Latvia*	*Lithuania*
Annual average 1927–9. . .	1·9	2·1	0·2
Year 1930 . . .	1·2	1·8	4·1
„ 1931 . . .	3·1	1·8	18·2
„ 1932 . . .	3·9	1·0	25·1
„ 1933 . . .	3·3	2·3	21·4
„ 1934 . . .	2·6	2·3	12·7
„ 1935 . . .	2·4	1·8	8·6
„ 1936 . . .	2·2	1·9	10·3
„ 1937 . . .	2·1	1·9	9·9

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(b) TOTAL OF PIGS[1]
(*In thousands*)

	Estonia†	*Latvia*	*Lithuania*
Year 1913 . . .	275	557	1,358
„ 1930 . . .	290	523	1,136
„ 1936 . . .	379*	674	1,210

† 1913–14. * 1937.

439 234 231 More than half of the butter exports from these three countries, and practically all the bacon exports, are now taken by the United Kingdom.[2] It seems to follow that the United Kingdom is gradually assuming towards the Baltic States responsibilities very similar to those she has already assumed in the case of Denmark. As will be seen, the sterling received for the Baltic States' exports of bacon and butter is of vital importance to the exchange position.

5. MANUFACTURING INDUSTRY

433 471 The principal change in the industrial system since the crisis has been the need, already mentioned, to save foreign exchange by manufacturing inside the country as far as possible what was formerly imported. The policy has been pushed furthest, largely at the instigation of the State, in Latvia and Estonia, for in these two countries the industrial apparatus required for such an experiment was to a considerable extent already in existence. In Lithuania, however, this was not the case, and industrial self-sufficiency has consequently made far less progress than in the other two countries, although when and where it has been possible advances have been made in this direction. But, in each case, the degree to which this policy can succeed is strictly limited by the fact that all three countries lack not only the essential raw materials of industry such as coal, iron, non-ferrous metals, rubber, cotton, and wool, but also the capital required for attempting the expensive process of manufacturing substitutes.

The progress made by industrialization in Estonia and Latvia can best be judged from Table 38 opposite.

464 438 The increase of workers employed in the textile trade, in which some degree of self-sufficiency is perhaps easiest to achieve, will be noted. The increase of workers employed in 'other' industries in Estonia is due largely to the activity of the shale industry, since at the end of 1937 the extractive industries were employing about 4,500 persons; this also accounts largely for the increase in 'chemicals'. Included in 'other industries' are also nearly 3,000 persons engaged

[1] Pre-war figures for Estonia and Latvia relate to a somewhat smaller area than that of the present States.

[2] Figures are given in footnote on p. 156.